

8/8/05

DHC-3527 PWN5052222 9574

District I  
1621 N. French Drive, Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

**Oil Conservation Division**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE  
 Single Well  
 Establish Pre-Approved Pools  
EXISTING WELLBORE  
 Yes  No

**APPLICATION FOR DOWNHOLE COMMINGLING**

**Mack Energy Corporation** P.O. Box 960, Artesia, NM 88211-0960  
Operator Address  
**McIntyre B** 7 M-20-17S-30E Eddy  
Lease Well No. Unit Letter-Section-Township-Range County  
OGRID No. 013837 Property Code 18385 API No. 30-015-31561 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Grayburg Jackson SR Q G SA		Loco Hills Paddock
PoolCode	28509		96718
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2913-4384'		4464-4679'
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	38.1		38.1
Producing, Shut-In or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: _____ Rates: _____	Date: _____ Rates: _____	Date: <u>5/31/2005</u> Rates: <u>10/65/15</u>
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or put production, supporting data or explanation will be required.)	Oil _____ Gas _____ % %	Oil _____ Gas _____ % %	Oil _____ Gas _____ % %

**ADDITIONAL DATA**

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes  No   
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes  No   
Are all produced fluids from all commingled zones compatible with each other? Yes  No   
Will commingling decrease the value of production? Yes  No   
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes  No

NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

Attachments:  
C- 1 02 for each zone to be commingled showing its spacing unit and acreage dedication.  
Production curve for each zone for at least one year. (If not available, attach explanation.)  
For zones with no production history, estimated production rates and supporting data.  
Data to support allocation method or formula.  
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.  
Any additional statements, data or documents required to support commingling.

**PRE-APPROVED POOLS**

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief  
SIGNATURE Jerry W. Sherrell TITLE Production Clerk DATE 8/3/2005  
TYPE OR PRINT NAME Jerry W. Sherrell TELEPHONE NO. ( 505 ) 748-1288  
E-MAIL ADDRESS jerrys@mackenergycorp.com



P.O. Box 960  
Artesia, NM 88211-0960  
Office (505) 748-1288  
Fax (505) 746-9539

August 3, 2005

Oil Conservation Division  
Attn: David Catanach  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Re: Downhole Commingling, and measurement of  
Hydrocarbon Production for:  
McIntyre B #1,2,5,6,7,8,9  
Section 20, T17S, R30E  
Eddy County, New Mexico

*Mack Energy Corporation as operator of the aforementioned (7) wells respectfully requests administrative approval for down hole commingling and measurement of production.*

*Mack Energy proposes to commingle Grayburg Jackson;SR-Q-G-SA(28509) and Loco Hills Paddock(96718) production in these McIntyre B wells(Lease NMLC-060999). Production of both pools will be measured at the McIntyre B Tank Battery located in the SE/4 SW/4 Sec. 20 T17S R30E. This lease has common interest in both pools. Notification has been made to all parties owning an interest in this lease, including the oil purchaser, of the intent to commingle. Testing will be conducted and allocation percentages will be sent to OCD after completion of these wells.*

*Should you require any additional information concerning this application, please call Jerry W. Sherrell at the above number. Thank you for your consideration of this request.*

*Sincerely,*

MACK ENERGY CORPORATION

A handwritten signature in black ink that reads "Jerry W. Sherrell".

Jerry W. Sherrell  
Production Clerk  
[jerrys@mackenergycorp.com](mailto:jerrys@mackenergycorp.com)

JWS/

Enclosures

ACT II

Lawyer ED, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Artesia, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

DISTRICT IV

P.O. Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-31561	Pool Code 28509	Pool Name Grayburg Jackson;SR-Q-G-SA
Property Code 018385	Property Name McINTYRE "B"	Well Number 7
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3612

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	20	17 S	30 E		330	SOUTH	330	WEST	EDDY

Bottom Hole Location if Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40		Joint or Infill	Consolidation Code		Order No.				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Crissa D. Carter</i> Signature</p> <p>Crissa D. Carter Printed Name</p> <p>Production Analyst Title</p> <p>11/22/00 Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>NOVEMBER 14, 2000</p> <p>Date Surveyed JLP</p> <p><i>Ronald G. Eidson</i> Signature &amp; Seal of Professional Surveyor</p> <p>W.O. Num 00-11-1438</p>
	<p>Certificate No. RONALD G. EIDSON, 3239 GARY S. EIDSON, 12641</p>

DISTRICT II

Lawyer ED, Artesia, NM 88211-0719

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Santa Fe, New Mexico 87504-2088

DISTRICT IV

P.O. Box 2088, Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-31561	Pool Code 96718	Pool Name Loco Hills Paddock
Property Code 018385	Property Name McINTYRE "B"	Well Number 7
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3612

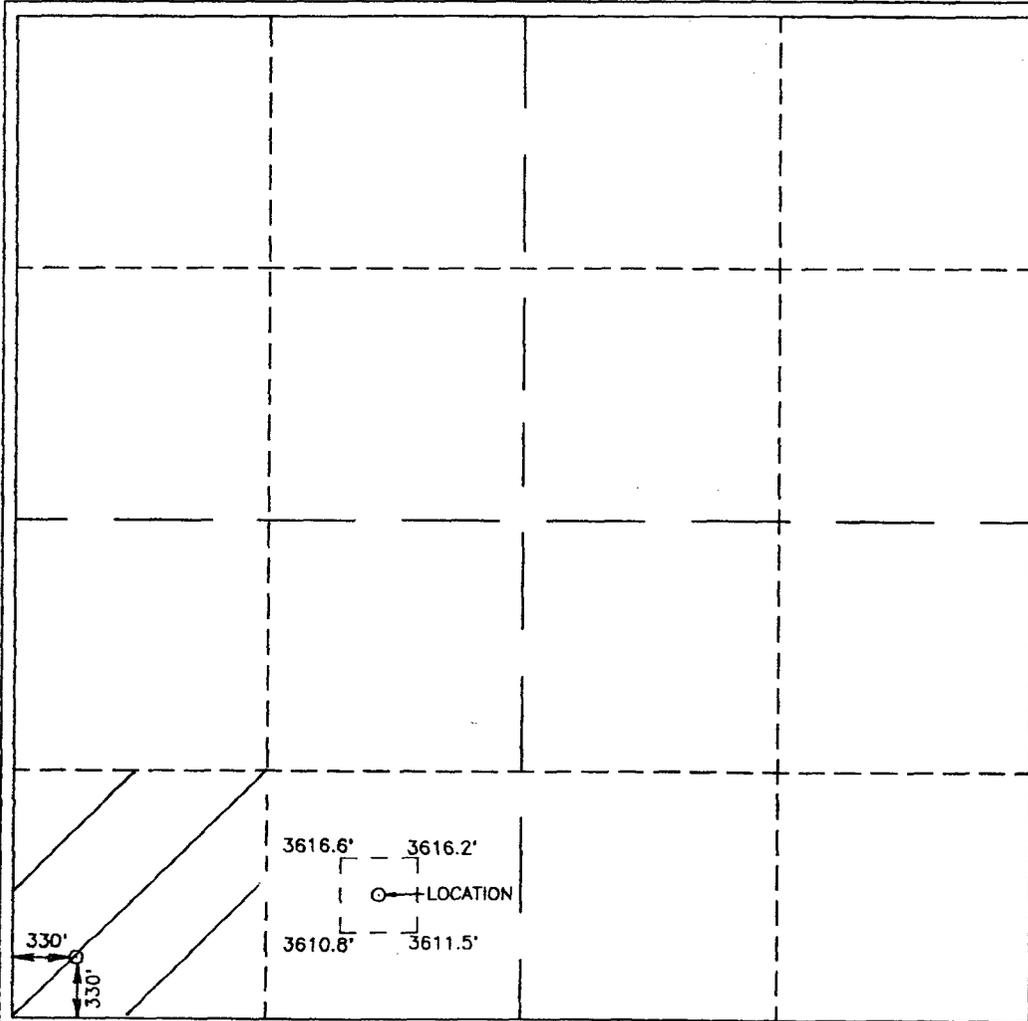
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Crissa D. Carter*  
Signature

Crissa D. Carter  
Printed Name

Production Analyst  
Title

11/22/00  
Date

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**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

NOVEMBER 14, 2000  
Date Surveyed

*Ronald J. Eidson*  
Signature & Seal of Professional Surveyor

W.O. Num. 00-11-1438

Certificate No. RONALD J. EIDSON, 3239  
GARY S. EIDSON, 12641